

SYN. NO. \_\_\_\_\_

AGN. NO. \_\_\_\_\_

MOTION BY SUPERVISOR ZEV YAROSLAVSKY

December 4, 2007

Since the implementation of the voter-approved Political Reform Act of 1974, local officials in Los Angeles County, including many county officers and employees, have annually filed thousands of Statements of Economic Interests -- know as Form 700 -- with the Executive Office and other County filing officers.

Today, officials receive paper notification from the County's filing officers and then fill the forms out manually, disclosing their investments, income and real property in order to prevent conflict of interest from arising in the performance of their duties as public officials. Many of these forms prove to be quite lengthy. The Executive Office receives several thousand statements each year totaling many thousands of pages of information, which must then be reviewed, processed, data-entered and filed away and retained for many years.

Such paper-bound processes are antiquated, cumbersome and costly, particularly in these days of rapid and convenient electronic transactions now made possible by modern computer systems. E-commerce presents us with a methodology for

MOTION

MOLINA \_\_\_\_\_

YAROSLAVSKY \_\_\_\_\_

KNABE \_\_\_\_\_

ANTONOVICH \_\_\_\_\_

BURKE \_\_\_\_\_

transacting business that has already saved millions of dollars in labor and material costs for business and government. Electronic banking and e-filing of State and Federal income tax returns are two common examples of this phenomenon.

E-commerce is particularly well suited to completing, filing, processing and storing Form 700s. It will assist the Executive Officer and her staff in handling the flood of paper they receive each year as local officials comply with the Act.

Los Angeles County has an opportunity to co-sponsor legislation next year that would permit as many as four counties to participate in a three-year pilot program to permit filers in those counties, on a voluntary basis, to complete and file their statements of economic interest electronically. The legislation would require filing officers to use systems which have features that would preserve the safety, security and integrity of the information filed on the Form 700s, using firewalls, data encryption, secure authentication and all necessary hardware and software and industry best practices to ensure that the information is not jeopardized or compromised in any way. A filer would use his or her own confidential user ID and password to access the form. The data would be double-firewall protected and maintained on a database accessible only to the individual filer and Executive Office staff. In accordance with current requirements of law, the filing officer would continue to make copies of any Statements of Economic Interest that have been filed available to the public upon request.

The legislation would provide that the pilot commence on or after January 1, 2009 and be completed by January 1, 2012. The pilot counties would be required to submit a report to the Legislature evaluating the safety, security and effectiveness of the electronic filing process no later than July 1, 2011. The bill also would provide that the

section of law that would be added to the Government Code would sunset on January 1, 2012, unless a later statute is enacted deleting or extending that date.

The Executive Office estimates that, if the process were eventually applied to all persons who file Form 700s with that office, the County would realize nearly \$84,000 annually in labor and cost of materials. If the Legislature were ultimately to permit electronic filing to be used by all filers in the County who wished to do so, the savings would be vastly greater, as there are an estimated 25,000 filers of these statements in our various county departments.

**I, THEREFORE, MOVE** that the County of Los Angeles co-sponsor legislation with other participating counties to authorize the County filing officer in those counties to engage in a pilot program of electronic filing of Statements of Economic Interests in which County officials who wish to do so may participate on a volunteer basis.

**I FURTHER MOVE** that, if the legislation is enacted, the Executive Officer be the designated filing officer for this purpose in Los Angeles County, and that she make the program available to officials who currently file their Form 700s with her office.